

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



MEDIA ADVISORY

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Davis To Examine Problem of Wounded Soldiers Hit by 'Financial Friendly Fire'

*GAO Report to Detail Army Overpaying Injured Soldiers,
Then Sending Debt Collectors After Them*

What: Government Reform Committee Oversight Hearing, "Financial Friendly Fire: A Review of Persistent Military Pay Problems"

When: THURSDAY, APRIL 27, 2006, 10:00 A.M.

Where: ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

Background: Soldiers wounded in battle face many hardships upon returning home. Some may need extensive medical care and rehabilitation. Some have severe trauma. Some, like those in the National Guard, may be unable to immediately return to their civilian jobs.

What they should not have to worry about is their own government compounding their worries by failing to properly pay them. And, clearly, these brave men and women should not have to worry that their government is sending debt collectors after them, thereby threatening their credit ratings and their ability to buy a house, take out a loan, or even get a job.

Yet that is exactly what has happened to many of our U.S. Army and National Guard soldiers who have returned injured from foreign battlefields in the Global War on Terror.

They return home wounded only to be hit by financial friendly fire.

This hearing will explore the persistent military pay problems that have affected thousands of soldiers in recent years. The Committee on Government Reform has held numerous hearings and ordered several Government Accountability Office investigations into Department of Defense and Army pay and personnel administrative procedures that have harmed reserve soldiers and their families.

The latest GAO report, to be released at the hearing, looks into the issue of Army and Guard Reserve soldiers who incurred debt through pay errors not of their own making – such as the Army failing to stop paying combat or hazardous duty pay when the soldier left the field of battle. Some of these injured soldiers were being referred to credit reporting agencies and debt collection agencies.

Several of these soldiers will testify at the hearing to tell in detail how their lives were affected by the pay and debt-collection problems.

During the course of GAO investigation, the Department of Defense, the Defense Finance and Accounting Service (DFAS), and the Department of the Army have attempted to fix the administrative and processing problems that have resulted in debt collection actions and will report on some of these actions at the hearing.

The Committee also will look at steps the Department of Defense and the Department of Army are taking to stop the problem payment issues, in addition to examining implementation of new procedures being carried out at finance and medical units such as Fort Bragg, N.C., and around the country.

Witnesses:

Panel I

Gregory D. Kutz, Director, Financial Management and Assurance, U.S. Government Accountability Office

Lt. Colonel John M. Lovejoy, U.S. Army Reserve, 364th Civil Affairs Brigade, Portland, Oregon

Specialist Frank Mangum, former Alabama Army National Guard, 279th Signal Battalion, accompanied by his wife, Paulette Mangum

Specialist Brandy Taylor, former US Army Reserves, 296th Transportation Company, Brookhaven, Mississippi

Panel II

The Honorable David Patterson, Principal Deputy Under Secretary of Defense, Office of the Comptroller, U.S. Department of Defense

The Honorable Nelson Ford, Principal Deputy Assistant Secretary of the Army for
Financial Management and Comptroller, U.S. Department of Defense
Zach E. Gaddy, Director, Defense Finance Accounting Service, U.S. Department of
Defense
Mark R. Lewis, Assistant Deputy Chief of Staff, G-1, Department of the Army, U.S.
Department of Defense
Colonel Mark McAlister, Finance Officer, 18th Airborne Corps, Fort Bragg, U.S. Army

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